



General Assembly

February Session, 2010

Raised Bill No. 5324

LCO No. 1152

* ____HB05324GAE__031010____*

Referred to Committee on Government Administration and
Elections

Introduced by:
(GAE)

***AN ACT CONCERNING DIVESTMENT OF STATE FUNDS INVESTED
IN COMPANIES DOING BUSINESS IN IRAN AND SUDAN.***

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Section 3-13g of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) For the purposes of this section:

4 (1) "Company" means any corporation, utility, partnership, joint
5 venture, franchisor, franchisee, trust, entity investment vehicle,
6 financial institution or other entity or business association, including
7 all wholly-owned subsidiaries, majority-owned subsidiaries, parent
8 companies or affiliates of such entities or business associations that
9 exist for the purpose of making profit;

10 (2) "Doing business in Iran" means engaging in commerce in any
11 form in Iran, including maintaining equipment, facilities, personnel or
12 other apparatus of business or commerce in Iran, including, but not
13 limited to, the lease or ownership of real or personal property in Iran

14 or engaging in any business activity with the government of Iran;

15 (3) "Invest" means the commitment of funds or other assets to a
16 company, including, but not limited to, the ownership or control of a
17 share or interest in the company, and the ownership or control of a
18 bond or other debt instrument by the company;

19 (4) "Iran" means the Islamic Republic of Iran, including its
20 government and any of its agencies, instrumentalities or political
21 subdivisions;

22 (5) "Mineral extraction activities" include activities such as
23 exploring, extracting, processing, transporting, or wholesale selling or
24 trading of elemental minerals or associated metal alloys or oxides
25 (ore), including gold, copper, chromium, chromite, diamonds, iron,
26 silver, tungsten, uranium and zinc, as well as facilitating such
27 activities, including providing supplies or services in support of such
28 activities;

29 (6) "Oil-related activities" include activities such as (A) owning
30 rights to oil blocks, (B) exporting, extracting, producing, refining,
31 processing, exploring for, transporting, selling or trading of oil, (C)
32 constructing, maintaining or operating a pipeline, refinery or other oil
33 field infrastructure, and (D) facilitating such activities, including
34 providing supplies and services in support of such activities, but not
35 including selling retail gasoline and related consumer products; and

36 (7) "Petroleum resources" means petroleum, petroleum byproducts
37 and natural gas.

38 (b) The State Treasurer shall review the major investment [policies]
39 holdings of the state for [purposes of ensuring that state funds are not
40 invested in any corporation engaged in any form of business in Iran
41 which could be considered to be contrary to the foreign policy or
42 national interests of the United States, particularly in respect to the
43 release of all American hostages held in Iran.] the purpose of
44 determining the extent to which state funds are invested in companies

45 doing business in Iran. Whenever feasible and consistent with the
46 fiduciary duties of the State Treasurer, the State Treasurer shall
47 encourage companies in which state funds are invested and that are
48 doing business in Iran, as identified by the United States Department
49 of Treasury's Office of Foreign Assets Control or the State Treasurer, to
50 act responsibly and not take actions that promote or otherwise enable
51 Iran's development of nuclear weaponry or its support of terrorism.

52 (c) The State Treasurer (1) may divest, decide to not further invest
53 state funds or not enter into any future investment in any company
54 doing business in Iran; and (2) shall divest and not further invest in
55 any security or instrument issued by Iran. In determining whether to
56 divest state funds in accordance with the provisions of subdivision (1)
57 of this subsection, the factors that the Treasurer shall consider shall
58 include, but not be limited to, the following: (A) Revenues paid by
59 such company directly to the government of Iran; (B) whether the
60 company is doing business in Iran that involves contracts with or
61 provision of supplies or services to the Government of Iran, companies
62 in which the Government of Iran has any direct or indirect equity
63 share, consortia or projects commissioned by the Government of Iran,
64 or companies involved in consortia or projects commissioned by the
65 Government of Iran and such business involves oil-related activities,
66 mineral extraction activities, investments that directly and significantly
67 contribute to the development of Iran's petroleum resources or any
68 other business activity that has been made the subject of economic
69 sanctions imposed by the United States government; (C) whether the
70 company has demonstrated complicity with an Iranian organization
71 that has been identified as a terrorist organization by the United States
72 government; (D) whether such company knowingly obstructs lawful
73 inquiries into its operations and investments in Iran; (E) whether such
74 company attempts to circumvent any applicable sanctions of the
75 United States; (F) the extent of any humanitarian activities undertaken
76 by such company in Iran; (G) whether such company is authorized by
77 the federal government of the United States to do business in Iran; and
78 (H) any other factor that the Treasurer deems prudent. In the event

79 that the Treasurer determines that divestment of state funds is
 80 warranted from a company in which state funds are invested due to
 81 such company doing business in Iran, the Treasurer shall give notice to
 82 such company that such funds shall be divested from such company
 83 for as long as such company does business in Iran.

84 (d) The State Treasurer shall, at least once per fiscal year, provide a
 85 report to the Investment Advisory Council on actions taken by the
 86 Treasurer pursuant to the provisions of this section.

87 (e) The provisions of this section shall no longer be effective if both
 88 of the following occur: (1) Iran is no longer designated by the United
 89 States Department of State as a country that is a state sponsor of
 90 terrorism due to said department's determination that the country
 91 repeatedly provides support for acts of international terrorism; and (2)
 92 the President of the United States certifies to the appropriate
 93 committee of Congress, pursuant to P.L. 104-172, as amended from
 94 time to time, that Iran has ceased its efforts to design, develop,
 95 manufacture or acquire a nuclear explosive device or related materials
 96 and technology.

97 Sec. 2. Subsection (a) of section 3-21e of the general statutes is
 98 repealed and the following is substituted in lieu thereof (*Effective from*
 99 *passage*):

100 (a) For the purposes of this section and subsection (a) of section 3-
 101 37:

102 (1) "Company" means any corporation, utility, partnership, joint
 103 venture, franchisor, franchisee, trust, entity investment vehicle,
 104 financial institution or [any wholly-owned subsidiary of such
 105 corporation] other entity or business association, including all wholly-
 106 owned subsidiaries, majority-owned subsidiaries, parent companies or
 107 affiliates of such entities or business associations, that exist for the
 108 purpose of making profit;

109 (2) "Doing business in Sudan" means engaging in commerce in any

110 form in Sudan, including maintaining equipment, facilities, personnel
111 or other apparatus of business or commerce in Sudan, including, but
112 not limited to, the lease or ownership of real or personal property in
113 Sudan, or engaging in any business activity with the government of
114 Sudan;

115 (3) "Invest" means the commitment of funds or other assets to a
116 company, including, but not limited to, the ownership or control of a
117 share or interest in the company, and the ownership or control of a
118 bond or other debt instrument by the company; and

119 (4) "Sudan" means the Republic of Sudan, including its government,
120 and any of its agencies, instrumentalities or political subdivisions.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	3-13g
Sec. 2	<i>from passage</i>	3-21e(a)

GAE ***Joint Favorable***